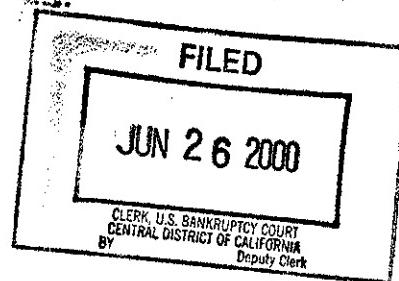
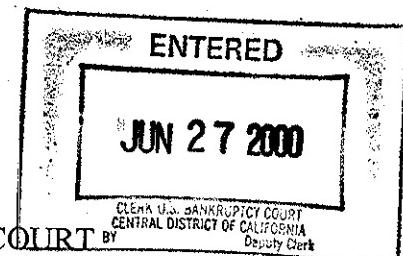


ORIGINAL



1 WILLIAM N. LOBEL - State Bar No. 93202  
2 JEFFREY M. REISNER - State Bar No. 143715  
3 TAVI C. FLANAGAN - State Bar No. 169156  
4 MIKE D. NEUE - State Bar No. 179303  
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6 840 Newport Center Drive, Suite 400  
Newport Beach, California 92660-6324  
Telephone: (949) 476-7400  
Facsimile: (949) 476-7444

7 General Insolvency Counsel to the Debtors  
8 DEPUTY CLERK BY A  
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UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

Case No. SA 00-12370 LR

Chapter 11 Case

(Jointly Administered with  
Case No. SA 00-12371 LR;  
Case No. SA 00-12372 LR; and  
Case No. SA 00-12373 LR)

**ORDER:**

**(1) AUTHORIZING EMPLOYMENT  
OF SHAUN P. MARTIN AS SPECIAL  
APPELLATE COUNSEL; AND**

**(2) ESTABLISHING MONTHLY  
PAYMENT PROCEDURE**

**Hearing Date and Time:**

DATE: June 22, 2000  
TIME: 10:00 a.m.  
CTRM: 5D  
411 West Fourth Street  
Santa Ana, CA 92701-4593

FIRST ALLIANCE MORTGAGE CO.,  
a California corporation  
Case No. SA 00-12370 LR

Affected by this Pleading

FIRST ALLIANCE CORPORATION,  
a Delaware corporation  
Case No. SA 00-12371 LR

Affected by this Pleading

FIRST ALLIANCE MORTGAGE CO.,  
a Minnesota corporation  
Case No. SA 00-12372 LR

Affected by this Pleading

FIRST ALLIANCE PORTFOLIO SERVICES,  
INC., a Nevada corporation  
Case No. SA 00-12373 LR

Affected by this Pleading

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1       The Application for Authority to Employ Shaun P. Martin as Special Appellate Counsel  
2 and to Establish Monthly Payment Procedure ("Application"), filed by First Alliance Mortgage  
3 Co., a California corporation, one of the debtors and debtors-in-possession in these jointly  
4 administered Chapter 11 cases ("Debtor"), came on for hearing on June 22, 2000, at 10:00 a.m.,  
5 before the Honorable Lynne Riddle, United States Bankruptcy Judge, in Courtroom 5D of the  
6 United States Bankruptcy Court, located at 411 West Fourth Street, Santa Ana, California.

7       The Debtor appeared by and through its counsel of record, William N. Lobel, Esq. of Irell  
8 & Manella LLP. All other appearances with respect to this matter were noted on the Court's  
9 record.

10      The Court having read and considered the Application, the supporting declaration of  
11 Shaun P. Martin attached thereto, and the Court having found that (a) notice of the Application was  
12 proper; (b) that no objection to the Application was filed; and (c) that, although Mr. Martin is not  
13 disinterested, Mr. Martin holds no interest materially adverse to the interests of the estate of the  
14 Debtor or to any class of creditors or equity security holders of the Debtor; and for good cause  
15 shown,

16      **IT IS HEREBY ORDERED** that:

17      A.     The Application is approved in its entirety, and the Debtor is authorized to  
18 employ Mr. Martin as the Debtor's special appellate counsel in connection with an appeal  
19 pending in the Ninth Circuit Court of Appeals, Case No. 99-57019, entitled First Alliance  
20 Mortgage Company, a California corporation, et al. v. ITT Hartford Group, et al.;

21      B.     The Debtor is authorized to employ Mr. Martin with compensation in such  
22 amount as the Court may hereafter allow in accordance with law, on the terms set forth in the  
23 Application; and

24      ///

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1           C.     The Debtor is authorized to pay to Mr. Martin, monthly payments equal to the  
2 amounts of his monthly invoices, provided that Mr. Martin comply with the provisions of the Fee  
3 Guide promulgated by the Office of the United States Trustee; and

4

5 DATED: June 26, 2000

6



7 THE HONORABLE LYNNE RIDDLE  
8 UNITED STATES BANKRUPTCY JUDGE

9

10 PRESENTED BY:

11 IRELL & MANELLA LLP

12 By: 

13           William N. Lobel  
14           Jeffrey M. Reisner  
15           Tavi C. Flanagan  
16           Mike D. Neue  
17           Counsel for the Debtor  
18           and Debtor-in-Possession

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## PROOF OF SERVICE

**STATE OF CALIFORNIA, COUNTY OF ORANGE**

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is 840 Newport Center Drive, Suite 400, Newport Beach, California 92660.

On June 23, 2000, I served the foregoing document described as ORDER: (1) **AUTHORIZING EMPLOYMENT OF SHAUN P. MARTIN AS SPECIAL APPELLATE COUNSEL; AND (2) ESTABLISHING MONTHLY PAYMENT PROCEDURE** on the interested parties in this action as follows:

BY MAIL

I caused true and correct copies of the above-referenced document(s) to be enclosed in sealed envelopes addressed as follows:

Arthur Marquis, Esq.  
Office of the United States Trustee  
411 West Fourth Street, Suite 9041  
Santa Ana, CA 92701

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U. S. postal service on that same day with postage thereon fully prepaid at Newport Beach, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare that I am employed in the office of a member of the bar of this court at whose direction this filing and declaration was made.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on June 23, 2000, at Newport Beach, California.

  
Linda A. Farmer

1 NOTICE TO USERS OF THIS FORM:

2 Physically attach this form as the last page of the proposed Order or Judgment.  
3 Do not file this form as a separate document.

4 In re: (SHORT TITLE) CHAPTER 11 CASE NUMBER:  
5 FIRST ALLIANCE MORTGAGE SA 00-12370 LR  
COMPANY [Jointly Administered With SA 0012371 LR;  
6 Debtor and Debtor in Possession SA 00-12372 LR; SA 00-12373 LR]  
7 This document relates to SA 00-12370 LR

8 NOTICE OF ENTRY OF JUDGMENT OR ORDER  
9 AND CERTIFICATE OF MAILING

10 TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

11 You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(1)(v), that a judgment  
12 or order entitled (specify):  
13

14 ORDER:

15 (1) AUTHORIZING EMPLOYMENT OF SHAUN P. MARTIN AS SPECIAL  
16 APPELLATE COUNSEL; AND

17 (2) ESTABLISHING MONTHLY PAYMENT PROCEDURE

18 was entered on (specify date): **JUN 27 2000**

19 I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the  
20 persons and entities on the attached service list on (specify date):  
21 **JUN 27 2000**

22 Dated: **JUN 27 2000**

23 JON DAVID CERETTO  
Clerk of the Bankruptcy Court

24 By: Eva N. Alvarez  
25 Deputy Clerk  
26  
27  
28

1 Arthur Marquis, Esq.  
2 Office of the United States Trustee  
3 411 West Fourth Street, Suite 9041  
4 Santa Ana, CA 92701

5 Debtors:

6 Mr. Francisco Nebot  
7 President  
8 First Alliance Mortgage Company  
9 17305 Von Karman Avenue  
10 Irvine CA 92614-6203

11 William N. Lobel, Esq.  
12 Irell & Manella LLP  
13 840 Newport Center Drive, Suite 500  
14 Newport Beach, CA 92660

15 Counsel to the Unsecured Creditors

16 David Stern, Esq.  
17 Klee, Tuchin, Bogdanoff & Stern  
18 1880 Century Park East, Suite 200  
19 Los Angeles, CA 90067

20 Shaun P. Martin, Esq.  
21 2115 Edinburg Avenue  
22 Cardiff, CA 92007

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